

Message Text

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ORIGIN NEA-09

INFO OCT-01 ISO-00 PM-03 SS-15 SP-02 NSC-05 L-02 AID-05

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----- 112567

P R 212351Z APR 75
FM SECSTATE WASHDC
TO AMEMBASSY KUWAIT PRIORITY
INFO SECDEF
CSA WASHDC
CDRAMC ALEX VA
CDRTACOM WARREN MI
CDRTROSCOM ST LOUISMO
USCINCEUR VAIHINGEN GER
COMIDEASTFOR BAHRAIN

C O N F I D E N T I A L STATE 091698

E.O. 11652: GDS

TAGS: MASS, KU

SUBJECT: KUWAIT FMS CASE DELINQUENCIES

REF: KUWAIT 1441 AND KUWAIT 1522

1. THIS INTERIM MESSAGE REVIEWS SIGNIFICANT, OPEN KUWAITI/
DEPT OF ARMY FMS CASES (LESS I-HAWK) AS WE SEE SITUATION
TODAY. FROM AVAILABLE DATA, IT IS OBVIOUS THAT IN SOME
CASES OUR PERFORMANCE HAS NOT RPT NOT BEEN RESPONSIVE
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ENOUGH; AND IN OTHERS, DELIVERY LEAD TIMES HAVE BEEN
IMPROVED CONSIDERABLY. IN THOSE INSTANCES WHERE SALES
CASES HAVE NOT BEEN PROPERLY EXECUTED, YOU MAY REST ASSURED
THAT COMMAND ATTENTION AND GENERAL OFFICER PERSONAL

INVOLVEMENT HAVE BEEN INITIATED TO INSURE THAT MAXIMUM EFFORT IS BEING DIRECTED TOWARD DELIVERY OF EQUIPMENT WITH LEAST POSSIBLE DELAY AND ADDITIONAL EXPENSE.
STATUS OF CASES FOLLOWS:

(A) CASE UBP -- AUTOMOTIVE REPAIR PARTS (CSP 5T TRKS):
DELIVERIES BEING MADE. RECORDS INDICATE KUWAITIS IN
ARREARS DOLS 1,484,532.

(B) CASE UCB -- AUTOMOTIVE REPAIR PARTS (CSP 1/4T TRKS):
DELIVERIES BEING MADE. ALL MONIES ON DEPOSIT.

(C) CASE UCF -- CONTRACTOR TECH SVCS: SERVICES BEING
PERFORMED. ALL FUNDS ON DEPOSIT.

(D) CASE UCL -- CLOTHING AND TEXTILES: CASE IMPLEMENTED.
REQUISITIONS CUT MARCH 27, 1975.

(E) CASE UAJ -- TOW MISSILE DEMO: REQUEST CONFIRMATION
THAT CHECK RECEIVED AND MAILED FROM EMBASSY. AMOUNT IS
DOLS 52,881 AND RELATES TO LIVE FIRING DEMO EARLY 1973.

(F) CASE UAP -- 1/4T VEHICLES: MECHANICAL PROBLEMS
PREVIOUSLY EXPLAINED. TWO HUNDRED BOOKED ON SS STONEWALL
JACKSON. ETA KUWAIT 14 JUL 75. ADDITIONAL 62 JEEPS
AND 11 M712A1'S RELEASED BUT NOT BOOKED FOR SHIPMENT.
REPAIR SCHEDULE ON REMAINDER NOT KNOWN AT THIS TIME. SIDE
CURTAINS AND DOOR KITS WILL COST APPROX DOLS 66,000. AMC
DIRECTED TO PREPARE AMENDMENT REFLECTING INCREASE IN
BASIC VEHICLE COST BY MAY 1, 75. AMENDMENT FOR PAINTING
NOT YET PREPARED; PAINTING COSTS BEING CHALLENGED. FYI:
DA ADVISED COSTS RUN AS HIGH AS DOLS 309,190
(DOLS 568.61 FOR 1/4 TON AND DOLS 635.39 AMBL.). END
FYI. DA IN RECEIPT OF ALL FUNDS INDICATED ON CASE.

(G) CASE UBA -- 1/4T TRAILERS: DA EXPERIENCING
DIFFICULTY IN OBTAINING REPARABLE ASSETS. ASSETS IN
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JAPAN NOT ECONOMICALLY REPARABLE. OKINAWA ASSETS CANNOT
BE BROUGHT TO FMS STANDARDS W/O SPENDING MORE MONEY THAN
TRAILERS ARE WORTH. NEW ASSETS ARE AVAILABLE IN EUROPE
AND COST WOULD BE DOLS 377 PER TRAILER AS OPPOSED TO
QUOTED PRICE OF DOLS 302. OPTIONS AVAILABLE ON THIS
CASE ARE: (1) CANCEL SALES CASE W/O COST TO KUWAIT;
(2) PROVIDE NEW ASSETS FROM EUROPE AND RAISE CASE VALUE
BY APPROX DOLS 45,000. DOLS 45,000 INCREASE INCLUDES
COST OF TRAILERS, PAINTING AND TRANSPORTATION. FYI:
ORIGINAL TRANSPORTATION COST WAS COMPUTED AS FIXED
PERCENTAGE OF MATERIAL COST RATHER THAN BEING COMPUTED ON
ACTUAL WEIGHT AND CUBE. END FYI. WE PRESENTLY
INVESTIGATING THIS POSSIBILITY AND WILL ADVISE. IN THE

MEANTIME REQUEST YOUR COMMENTS. AS OF NOW TRAILERS ARE NOT ON ORDER.

(H) CASE UBJ -- 5-TON TRKS: DELIVERY SCHEDULES PREVIOUSLY PROVIDED. DELIVERY TO COMMENCE ABOUT 1 YEAR EARLY (I.E., BY ABOUT AUGUST 1975). KUWAITIS HAVE OVERPAID AS OF NOW DOLS 1.1M.

(I) CASE UBL -- 5-TON WRKRS: DELIVERY SCHEDULES PREVIOUSLY PROVIDED. PAYMENTS CURRENT.

(J) CASE UAS -- CONSTRUCTION EQUIP (LUBE UNIT 6 EA): PAYMENT SCHEDULE CURRENT. ITEM ON CONTRACT FOR DELIVERY 4TH QTR FY 76. ON SCHEDULE. PNEUMATIC COMPRESSORS, D-8 TRACTORS, FRONT LOADERS, GRADERS: THESE ITEMS ARE NOT NOW ON CONTRACT. EXPEDITED PROCUREMENT ACTION UNDER WAY. WILL ADVISE OF DETAILS AS THEY BECOME AVAILABLE.

(K) CASE UBG -- CONSTRUCTION EQUIPMENT: TO DATE DOLS 171,607 RECEIVED AGAINST PAYMENT SCHEDULE. ROAD ROLLERS: FOUR WILL BE READY FOR OUTLOADING MAY 9, 75. DITCH DIGGING MACHINES: TO DATE CONTRACT HAS NOT BEEN LET. DA ADVISED THAT REQUESTED ITEM IS NOT PRODUCTION MODEL AND WOULD NOT BE SUPPORTABLE IN OUT YEARS. IT IS RECOMMENDED THAT SIMILAR MACHINE WITH GREATER CAPABILITY, I.E., DIG A TRENCH 22 INCHES WIDE 7 FEET DEEP VERSUS THE 16 INCHES WIDE 5 FOOT 10 INCHES DEEP CAPABILITY OF THE REQUESTED ONE, BE SUBSTITUTED. SUBSTITUTE ITEM WILL BE CONFIDENTIAL

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COST DOLS 18 - 20,000 MORE PER MACHINE PLUS DOLS 5,000 PER MACHINE FOR THE FIVE YEAR CSP. COST ASSOCIATED WITH PROVIDING A 5 YEAR CSP FOR BOTH LINE ITEMS (ROAD ROLLER AND DITCH DIGGER), COMMENSURATE WITH MANUFACTURERS' RECOMMENDATIONS WILL RAISE ESTIMATED COST OF THE CASE DOLS 140 - 150,000. WITH OFFICIAL NOTIFICATION THAT KUWAITIS WILL PAY ADDITIONAL COST, AMCCAN CONTRACT IMMEDIATELY FOR SHIPMENT OF 1 MACHINE 90 DAYS AFTER AWARD AND THE REMAINING 4 WITHIN 180 DAYS. REQUEST YOU ADVISE.

(L) CASE UCD -- CONSTRUCTION EQUIPMENT: TO DATE DOLS 695,045 RECD AGAINST PAYMENT SCHEDULE. 20-TON CRANE: ITEMS NOT ON CONTRACT. HOWEVER, DA SHOULD BE ABLE TO MEET QUOTED MAY 1977 DELIVERY. NO FEEL FOR ADEQUACY OF COST DATA. FORK LIFT TRKS: ON SCHEDULE FOR AUG 1975 AVAILABILITY.

(M) CASE UAG -- TOW EQUIP: CASE ON SCHEDULE. ALL EARLY DELIVERIES COMPLETED.

2. WE REGRET THAT SOME PROCUREMENT ACTION HAS NOT BEEN TAKEN BEFORE THIS TIME. WE BELIEVE WE NOW HAVE CORRECTED

THIS SITUATION, AND WITH EXPEDITED ACTION INDICATED ABOVE,
KUWAITIS SHOULD RECEIVE EQUIPMENT PURCHASEDREASONABLY
CLOSE TO ORIGINAL DELIVERY SCHEDULE.

3. IF EMBASSY DESIRES, WE ARE PREPARED TO SEND DA
REPRESENTATIVE TO KUWAIT TO REVIEW ENTIRE DA/KUWAIT
PROGRAM. PLEASE ADVISE. FINAL REPORT ON ABOVE CASES
WILL BE FORWARDED BY DA NLT MAY 1, 1975.
KISSINGER

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<< END OF DOCUMENT >>

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